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SECRETARIAT
OF
THE ODISHA LEGISLATIVE ASSEMBLY
NOTIFICATION

The 29th August, 2012

No.9181/L.A.—The following Bill which has been introduced in the Odisha Legislative Assembly on the 29th August, 2012 is herewith published under Rule-68 of the Rules of Procedure and Conduct of Business in the Odisha Legislative Assembly for general information.

THE ODISHA GRAMA PANCHAYAT (AMENDMENT) BILL, 2012

**A
BILL**

FURTHER TO AMEND THE ODISHA GRAMA PANCHAYAT ACT, 1964.

BE it enacted by the Legislature of the State of Odisha in the Sixty-third Year of the Republic of India as follows:—

Short title
and
commence-
ment.

1. (1) This Act may be called the Odisha Grama Panchayat (Amendment) Act, 2012.

(2) It shall come into force on such date as the State Government may, by notification, appoint.

Insertion
of new
sections
78,79,80,
81 and 82.

2. In the Odisha Grama Panchayat Act, 1964, after Section 77, the following sections shall be inserted, namely:—

Odisha
Act 1 of
1965

“Panchayat
Taxes.

78. Every Grama Panchayat shall, subject to the provisions of this Act and the rules made thereunder and to any general or special orders which the State Government may make in this behalf, impose for purposes of this Act a Panchayat tax on all buildings and lands situated within the limits of the Grama assessed on the capital value thereof.

Responsibility
for payment
of Panchayat
tax.

79. (1) The Panchayat tax in respect of any land or building shall be paid by the owner thereof.

(2) For the purposes of this section, a lessee or occupier of the land or building shall be deemed to be the owner thereof:

Provided that the lessee or the occupier shall be liable for any such tax due only for the period of the lease or of his occupation, as the case may be.

Imposition
and assess-
ment of
Panchayat
tax.

80. (1) The Panchayat tax shall be imposed every year at such rates as may be fixed by the Grama Panchayat in accordance with the rules made in that behalf, subject however to a minimum amount of tax of fifty paise and a maximum amount of rupees fifty:

Provided that the Grama Panchayat shall have the power to exempt any person from the payment of panchayat tax on ground of poverty.

(2) The Sub-Collector may, on the application of any person aggrieved and after giving the parties interested and the Grama Panchayat concerned an opportunity of being heard revise any assessment made by the Grama Panchayat on the ground of any illegality, impropriety or irregularity and confirm, modify, cancel or revise such assessment.

(3) If during any year there has been a complete failure on the part of the Grama Panchayat to impose the Panchayat tax or to collect the assessments made for the year or that the assessment made has been in the opinion of the Sub-Collector excessively low he may, *suo motu*, subject to the rules made in that behalf and after giving the Grama Panchayat an opportunity of being heard take steps for such imposition or collection or making proper assessment, as the case may be, for that year and subject to a deduction of five percentum of the realizations towards the cost of collection, remit the same to the concerned Grama Fund:

Provided that before taking action under this sub-section, the Sub-Collector shall give the Grama Panchayat concerned an opportunity to comply within a reasonable time with such directions as he may issue in that behalf in respect of such imposition, collection or assessment, as the case may be .

Power to
make rules
in respect of
Panchayat
tax.

81. The State Government may make rules providing for—

- (i) the manner of determining the capital value of the lands and buildings within the Grama for the purposes of assessment of Panchayat tax;
- (ii) grant of remissions; and
- (iii) the circumstances in which and the conditions subject to which buildings constructed, reconstructed or demolished, or situated in areas included in or excluded from the Grama during any year shall be liable or cease to be liable to the whole or any portion of the tax.

Panchayat
tax to be a
first charge.

82. The Panchayat tax, subject to the prior payment of the land revenue, if any, due to the State Government in respect of any land or building, be a first charge upon such land or building and upon the movable property, if any, found within or upon the same and belonging to the person liable to such tax.”.

STATEMENT OF OBJECTS AND REASONS

The 73rd amendment to the Constitution aims at constitutional guarantee to safeguard the interest of the Panchayati Raj Institutions to enable them to function as Local Self Government at grass root level. Panchayati Raj Institutions are responsible for economic development with social justice in rural areas of the State. The 13th Finance Commission have put certain conditions to be fulfilled by the State Governments for release of Performance Grant to State Governments for the period from 2011-2012 to 2014-2015. One of such conditions is that the Local Bodies should be fully enabled to levy Property Tax (including Tax for all types of residential and commercial properties) and any hindrance in this regard must be removed. Article 243-H of the Constitution of India permits Panchayat to levy, collect and appropriate such tax as the Legislature may by Law provide. There is no provision in the Odisha Grama Panchayat Act, 1964 and rules made thereunder for levy of Property Tax by the Rural Local Bodies like Grama Panchayats. Enabling the Rural Local Bodies to levy the Property Tax is a pre-condition to the release of Performance Grant by the Central Government out of the 13th Finance Commission Award. In order to avail the Performance Grant in the public interest, it is proposed to restore the provision i.e. Sections 78,79,80,81 and 82 which were omitted by the Odisha Act, 16 of 1967 in the Odisha Grama Panchayat Act, 1964 for enabling the Grama Panchayats to levy the Property Tax.

The Bill seeks to achieve the above objectives.

KALPATARU DAS

Member-in-Charge

A. K. SARANGI

Secretary

Odisha Legislative Assembly